

SENATE AMENDMENTS

2nd Printing

By: Zerwas

H.B. No. 3849

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation and re-creation of funds and accounts, the
3 dedication and rededication of revenue, and the exemption of
4 unappropriated money from use for general governmental purposes.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. DEFINITION. In any provision of this Act that
7 does not amend current law, "state agency" means an office,
8 institution, or other agency that is in the executive branch or the
9 judicial branch of state government, has authority that is not
10 limited to a geographical portion of the state, and was created by
11 the constitution or a statute of this state. The term does not
12 include an institution of higher education as defined by Section
13 61.003, Education Code.

14 SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS.
15 Except as otherwise specifically provided by this Act, all funds
16 and accounts created or re-created by an Act of the 85th
17 Legislature, Regular Session, 2017, that becomes law and all
18 dedications or rededications of revenue collected by a state agency
19 for a particular purpose by an Act of the 85th Legislature, Regular
20 Session, 2017, that becomes law are abolished on the later of August
21 31, 2017, or the date the Act creating or re-creating the fund or
22 account or dedicating or rededicating revenue takes effect.

23 SECTION 3. PREVIOUSLY EXEMPT DEDICATIONS, FUNDS, AND
24 ACCOUNTS. Section 2 of this Act does not apply to:

1 (1) statutory dedications, funds, and accounts that
2 were enacted before the 85th Legislature convened to comply with
3 requirements of state constitutional or federal law;

4 (2) dedications, funds, or accounts that remained
5 exempt from former Section 403.094(h), Government Code, at the time
6 dedications, accounts, and funds were abolished under that
7 provision;

8 (3) increases in fees or in other revenue dedicated as
9 described by this section; or

10 (4) increases in fees or in other revenue required to
11 be deposited in a fund or account described by this section.

12 SECTION 4. FEDERAL FUNDS. Section 2 of this Act does not
13 apply to funds created under an Act of the 85th Legislature, Regular
14 Session, 2017, for which separate accounting is required by federal
15 law, except that the funds shall be deposited in accounts in the
16 general revenue fund unless otherwise required by federal law.

17 SECTION 5. TRUST FUNDS. Section 2 of this Act does not
18 apply to trust funds or dedicated revenue deposited to trust funds
19 created under an Act of the 85th Legislature, Regular Session,
20 2017, except that the trust funds shall be held in the state
21 treasury, with the comptroller in trust, or outside the state
22 treasury with the comptroller's approval.

23 SECTION 6. BOND FUNDS. Section 2 of this Act does not apply
24 to bond funds and pledged funds created or affected by an Act of the
25 85th Legislature, Regular Session, 2017, except that the funds
26 shall be held in the state treasury, with the comptroller in trust,
27 or outside the state treasury with the comptroller's approval.

1 SECTION 7. CONSTITUTIONAL FUNDS. Section 2 of this Act does
2 not apply to funds or accounts that would be created or re-created
3 by the Texas Constitution or revenue that would be dedicated or
4 rededicated by the Texas Constitution under a constitutional
5 amendment proposed by the 85th Legislature, Regular Session, 2017,
6 or to dedicated revenue deposited to funds or accounts that would be
7 so created or re-created, if the constitutional amendment is
8 approved by the voters.

9 SECTION 8. ADDITIONAL USES FOR DEDICATED FUNDS, ACCOUNTS,
10 OR REVENUE. Section 2 of this Act does not apply to a newly
11 authorized dedication of or use of a dedicated fund, a dedicated
12 account, or dedicated revenue as provided by an Act of the 85th
13 Legislature, Regular Session, 2017, to the extent that Act affects
14 a fund, an account, or revenue that was exempted from funds
15 consolidation before January 1, 2017. A dedicated fund, a
16 dedicated account, or dedicated revenue that was exempted from
17 funds consolidation before January 1, 2017, may be used as an Act of
18 the 85th Legislature, Regular Session, 2017, provides, and a change
19 in the name or authorized use of a previously exempted dedicated
20 fund or account does not affect the fund's or account's dedicated
21 nature.

22 SECTION 9. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE.
23 Effective September 1, 2017, Sections 403.095(b), (d), and (f),
24 Government Code, are amended to read as follows:

25 (b) Notwithstanding any law dedicating or setting aside
26 revenue for a particular purpose or entity, dedicated revenues that
27 on August 31, 2019 [~~2017~~], are estimated to exceed the amount

1 appropriated by the General Appropriations Act or other laws
2 enacted by the 85th [~~84th~~] Legislature are available for general
3 governmental purposes and are considered available for the purpose
4 of certification under Section 403.121.

5 (d) Following certification of the General Appropriations
6 Act and other appropriations measures enacted by the 85th [~~84th~~]
7 Legislature, the comptroller shall reduce each dedicated account as
8 directed by the legislature by an amount that may not exceed the
9 amount by which estimated revenues and unobligated balances exceed
10 appropriations. The reductions may be made in the amounts and at
11 the times necessary for cash flow considerations to allow all the
12 dedicated accounts to maintain adequate cash balances to transact
13 routine business. The legislature may authorize, in the General
14 Appropriations Act, the temporary delay of the excess balance
15 reduction required under this subsection. This subsection does not
16 apply to revenues or balances in:

- 17 (1) funds outside the treasury;
- 18 (2) trust funds, which for purposes of this section
19 include funds that may or are required to be used in whole or in part
20 for the acquisition, development, construction, or maintenance of
21 state and local government infrastructures, recreational
22 facilities, or natural resource conservation facilities;
- 23 (3) funds created by the constitution or a court; or
- 24 (4) funds for which separate accounting is required by
25 federal law.

26 (f) This section expires September 1, 2019 [~~2017~~].

27 SECTION 10. CANCER PREVENTION AND RESEARCH INTEREST AND

1 SINKING FUND. (a) The comptroller of public accounts shall
2 establish the cancer prevention and research interest and sinking
3 fund in accordance with Section 102.270, Health and Safety Code, as
4 if the cancer prevention and research interest and sinking fund had
5 not been abolished by operation of Section 2, Chapter 839 (H.B. 6),
6 Acts of the 83rd Legislature, Regular Session, 2013. The cancer
7 prevention and research interest and sinking fund is re-created by
8 this Act. The dedication of revenue to the fund made by Section
9 102.270(b), Health and Safety Code, for the purposes specified by
10 Section 102.270(c), Health and Safety Code, that was abolished by
11 operation of Section 2, Chapter 839 (H.B. 6), Acts of the 83rd
12 Legislature, Regular Session, 2013, is rededicated by this Act for
13 the same purposes.

14 (b) Section 2 of this Act does not apply to the re-creation
15 of the cancer prevention and research interest and sinking fund and
16 rededication of revenue to that fund made by Subsection (a) of this
17 section.

18 SECTION 11. NATIONAL MUSEUM OF THE PACIFIC WAR MUSEUM FUND;
19 DEDICATION OF REVENUE. Section 2 of this Act does not apply to the
20 National Museum of the Pacific War museum fund created as a fund
21 outside the state treasury, or to the dedication of revenue made to
22 that fund, by House Bill No. 1492, Senate Bill No. 694, or other
23 similar legislation of the 85th Legislature, Regular Session, 2017,
24 that becomes law.

25 SECTION 12. ALAMO COMPLEX ACCOUNT; DEDICATION OF REVENUE.
26 Section 2 of this Act does not apply to the Alamo complex account
27 created as an account outside the state treasury by House Bill

1 No. 1831, Senate Bill No. 1156, or other similar legislation of the
2 85th Legislature, Regular Session, 2017, that becomes law, or to
3 the dedication of revenue made to that account by Section 31.454,
4 Natural Resources Code, for the purposes specified by that section.

5 SECTION 13. DEDICATION OF REVENUE TO WATER RESOURCE
6 MANAGEMENT ACCOUNT. Section 2 of this Act does not apply to the
7 dedication of fees, interest and penalties, and other amounts
8 described by Section 371.061, Health and Safety Code, to the water
9 resource management account as provided by S.B. No. 1105, H.B.
10 No. 3026, or similar legislation of the 85th Legislature, Regular
11 Session, 2017, that becomes law.

12 SECTION 14. EFFECT OF ACT. (a) This Act prevails over any
13 other Act of the 85th Legislature, Regular Session, 2017,
14 regardless of the relative dates of enactment, that purports to
15 create or re-create a special fund or account or to dedicate or
16 rededicate revenue to a particular purpose, including any fund,
17 account, or revenue dedication abolished under former Section
18 403.094, Government Code.

19 (b) An exemption from the application of Section 403.095,
20 Government Code, contained in another Act of the 85th Legislature,
21 Regular Session, 2017, that is exempted from the application of
22 Section 2 of this Act has no effect.

23 (c) Revenue that, under the terms of another Act of the 85th
24 Legislature, Regular Session, 2017, would be deposited to the
25 credit of a special account or fund shall be deposited to the credit
26 of the undedicated portion of the general revenue fund unless the
27 fund, account, or dedication is exempted under this Act.

1 SECTION 15. EFFECTIVE DATE. Except as otherwise provided
2 by this Act:

3 (1) this Act takes effect immediately if this Act
4 receives a vote of two-thirds of all the members elected to each
5 house, as provided by Section 39, Article III, Texas Constitution;
6 and

7 (2) if this Act does not receive the vote necessary for
8 immediate effect, this Act takes effect on the 91st day after the
9 last day of the legislative session.

ADOPTED

MAY 23 2017

Katay Spaul
Secretary of the Senate

By: Nelson .B. No. _____

Substitute the following for H.B. No. 3849:

By: *Nelson* C.S.H.B. No. 3849

A BILL TO BE ENTITLED

AN ACT

relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. DEFINITION. In any provision of this Act that does not amend current law, "state agency" means an office, institution, or other agency that is in the executive branch or the judicial branch of state government, has authority that is not limited to a geographical portion of the state, and was created by the constitution or a statute of this state. The term does not include an institution of higher education as defined by Section 61.003, Education Code.

SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS. Except as otherwise specifically provided by this Act, all funds and accounts created or re-created by an Act of the 85th Legislature, Regular Session, 2017, that becomes law and all dedications or rededications of revenue collected by a state agency for a particular purpose by an Act of the 85th Legislature, Regular Session, 2017, that becomes law are abolished on the later of August 31, 2017, or the date the Act creating or re-creating the fund or account or dedicating or rededicating revenue takes effect.

SECTION 3. PREVIOUSLY EXEMPT DEDICATIONS, FUNDS, AND ACCOUNTS. Section 2 of this Act does not apply to:

(1) statutory dedications, funds, and accounts that were enacted before the 85th Legislature convened to comply with requirements of state constitutional or federal law;

(2) dedications, funds, or accounts that remained exempt from former Section 403.094(h), Government Code, at the time dedications, accounts, and funds were abolished under that provision;

(3) increases in fees or in other revenue dedicated as described by this section; or

(4) increases in fees or in other revenue required to be deposited in a fund or account described by this section.

SECTION 4. FEDERAL FUNDS. Section 2 of this Act does not apply to funds created under an Act of the 85th Legislature, Regular Session, 2017, for which separate accounting is required by federal law, except that the funds shall be deposited in accounts in the general revenue fund unless otherwise required by federal law.

SECTION 5. TRUST FUNDS. Section 2 of this Act does not apply to trust funds or dedicated revenue deposited to trust funds created under an Act of the 85th Legislature, Regular Session, 2017, except that the trust funds shall be held in the state treasury, with the comptroller in trust, or outside the state treasury with the comptroller's approval.

SECTION 6. BOND FUNDS. Section 2 of this Act does not apply to bond funds and pledged funds created or affected by an Act of the 85th Legislature, Regular Session, 2017, except that the funds shall be held in the state treasury, with the comptroller in trust, or outside the state treasury with the comptroller's approval.

SECTION 7. CONSTITUTIONAL FUNDS. Section 2 of this Act does not apply to funds or accounts that would be created or re-created by the Texas Constitution or revenue that would be dedicated or rededicated by the Texas Constitution under a constitutional amendment proposed by the 85th Legislature, Regular Session, 2017, or to dedicated revenue deposited to funds or accounts that would be so created or re-created, if the constitutional amendment is approved by the voters.

SECTION 8. ADDITIONAL USES FOR DEDICATED FUNDS AND ACCOUNTS.

Section 2 of this Act does not apply to a newly authorized use of a dedicated fund or dedicated account as provided by an Act of the 85th Legislature, Regular Session, 2017, to the extent:

(1) the fund or account was exempted from funds consolidation before January 1, 2017; and

(2) the newly authorized use is within the scope of the original dedication of the fund or account.

SECTION 9. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE. Effective September 1, 2017, Sections 403.095(b), (d), and (f), Government Code, are amended to read as follows:

(b) Notwithstanding any law dedicating or setting aside

revenue for a particular purpose or entity, dedicated revenues that on August 31, 2019 [~~2017~~], are estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the 85th [~~84th~~] Legislature are available for general governmental purposes and are considered available for the purpose of certification under Section 403.121.

(d) Following certification of the General Appropriations Act and other appropriations measures enacted by the 85th [~~84th~~] Legislature, the comptroller shall reduce each dedicated account as directed by the legislature by an amount that may not exceed the amount by which estimated revenues and unobligated balances exceed appropriations. The reductions may be made in the amounts and at the times necessary for cash flow considerations to allow all the dedicated accounts to maintain adequate cash balances to transact routine business. The legislature may authorize, in the General Appropriations Act, the temporary delay of the excess balance reduction required under this subsection. This subsection does not apply to revenues or balances in:

- (1) funds outside the treasury;
- (2) trust funds, which for purposes of this section include funds that may or are required to be used in whole or in part for the acquisition, development, construction, or maintenance of state and local government infrastructures, recreational facilities, or natural resource conservation facilities;
- (3) funds created by the constitution or a court; or

(4) funds for which separate accounting is required by federal law.

(f) This section expires September 1, 2019 [2017].

SECTION 10. CANCER PREVENTION AND RESEARCH INTEREST AND SINKING FUND. (a) The comptroller of public accounts shall establish the cancer prevention and research interest and sinking fund in accordance with Section 102.270, Health and Safety Code, as if the cancer prevention and research interest and sinking fund had not been abolished by operation of Section 2, Chapter 839 (H.B. 6), Acts of the 83rd Legislature, Regular Session, 2013. The cancer prevention and research interest and sinking fund is re-created by this Act. The dedication of revenue to the fund made by Section 102.270(b), Health and Safety Code, for the purposes specified by Section 102.270(c), Health and Safety Code, that was abolished by operation of Section 2, Chapter 839 (H.B. 6), Acts of the 83rd Legislature, Regular Session, 2013, is rededicated by this Act for the same purposes.

(b) Section 2 of this Act does not apply to the re-creation of the cancer prevention and research interest and sinking fund and rededication of revenue to that fund made by Subsection (a) of this section.

SECTION 11. NATIONAL MUSEUM OF THE PACIFIC WAR MUSEUM FUND; DEDICATION OF REVENUE. Section 2 of this Act does not apply to the National Museum of the Pacific War museum fund created as a fund outside the state treasury, or to the dedication of revenue made to

that fund, by House Bill No. 1492, Senate Bill No. 694, or other similar legislation of the 85th Legislature, Regular Session, 2017, that becomes law.

SECTION 12. ALAMO COMPLEX ACCOUNT; DEDICATION OF REVENUE. Section 2 of this Act does not apply to the Alamo complex account created as an account outside the state treasury by House Bill No. 1831, Senate Bill No. 1156, or other similar legislation of the 85th Legislature, Regular Session, 2017, that becomes law, or to the dedication of revenue made to that account by Section 31.454, Natural Resources Code, for the purposes specified by that section.

SECTION 13. DEDICATION OF REVENUE TO WATER RESOURCE MANAGEMENT ACCOUNT. Section 2 of this Act does not apply to the dedication of fees, interest and penalties, and other amounts described by Section 371.061, Health and Safety Code, to the water resource management account as provided by S.B. No. 1105, H.B. No. 3026, or similar legislation of the 85th Legislature, Regular Session, 2017, that becomes law.

SECTION 14. Section 2 of this Act does not apply to a fund or account that is created or re-created, or a dedication or rededication of revenue collected by a state agency for a particular purpose made, by any of the following Acts of the 85th Legislature, Regular Session, 2017, that become law:

- (1) House Bill No. 7 or similar legislation;
- (2) House Bill No. 51 or similar legislation;
- (3) House Bill No. 108 or similar legislation;

- (4) House Bill No. 245 or similar legislation;
- (5) House Bill No. 263 or similar legislation;
- (6) House Bill No. 271 or similar legislation;
- (7) House Bill No. 555 or similar legislation;
- (8) House Bill No. 561 or similar legislation;
- (9) House Bill No. 572 or similar legislation;
- (10) House Bill No. 935 or similar legislation;
- (11) House Bill No. 1256 or similar legislation;
- (12) House Bill No. 1407 or similar legislation;
- (13) House Bill No. 1512 or similar legislation;
- (14) House Bill No. 1691 or similar legislation;
- (15) House Bill No. 1724 or similar legislation;
- (16) House Bill No. 1729 or similar legislation;
- (17) House Bill No. 1818 or similar legislation;
- (18) House Bill No. 2004 or similar legislation;
- (19) House Bill No. 2068 or similar legislation;
- (20) House Bill No. 2578 or similar legislation;
- (21) House Bill No. 2612 or similar legislation;
- (22) House Bill No. 2700 or similar legislation;
- (23) House Bill No. 2715 or similar legislation;
- (24) House Bill No. 2943 or similar legislation;
- (25) House Bill No. 3391 or similar legislation;
- (26) House Bill No. 3438 or similar legislation;
- (27) House Bill No. 3521 or similar legislation;
- (28) House Bill No. 3567 or similar legislation;

- (29) House Bill No. 3781 or similar legislation;
- (30) House Bill No. 3849 or similar legislation;
- (31) House Bill No. 3952 or similar legislation;
- (32) House Bill No. 3987 or similar legislation;
- (33) House Bill No. 4102 or similar legislation;
- (34) House Bill No. 4117 or similar legislation;
- (35) Senate Bill No. 3 or similar legislation;
- (36) Senate Bill No. 4 or similar legislation;
- (37) Senate Bill No. 6 or similar legislation;
- (38) Senate Bill No. 26 or similar legislation;
- (39) Senate Bill No. 28 or similar legislation;
- (40) Senate Bill No. 42 or similar legislation;
- (41) Senate Bill No. 208 or similar legislation;
- (42) Senate Bill No. 267 or similar legislation;
- (43) Senate Bill No. 298 or similar legislation;
- (44) Senate Bill No. 312 or similar legislation;
- (45) Senate Bill No. 576 or similar legislation;
- (46) Senate Bill No. 602 or similar legislation;
- (47) Senate Bill No. 634 or similar legislation;
- (48) Senate Bill No. 722 or similar legislation;
- (49) Senate Bill No. 1001 or similar legislation;
- (50) Senate Bill No. 1105 or similar legislation;
- (51) Senate Bill No. 1147 or similar legislation;
- (52) Senate Bill No. 1185 or similar legislation;
- (53) Senate Bill No. 1251 or similar legislation;

- (54) Senate Bill No. 1305 or similar legislation;
- (55) Senate Bill No. 1330 or similar legislation;
- (56) Senate Bill No. 1349 or similar legislation;
- (57) Senate Bill No. 1383 or similar legislation;
- (58) Senate Bill No. 1422 or similar legislation;
- (59) Senate Bill No. 1483 or similar legislation;
- (60) Senate Bill No. 1484 or similar legislation;
- (61) Senate Bill No. 1516 or similar legislation;
- (62) Senate Bill No. 1524 or similar legislation;
- (63) Senate Bill No. 1538 or similar legislation;
- (64) Senate Bill No. 1588 or similar legislation;
- (65) Senate Bill No. 1658 or similar legislation;
- (66) Senate Bill No. 1849 or similar legislation;
- (67) Senate Bill No. 1923 or similar legislation;
- (68) Senate Bill No. 2075 or similar legislation; and
- (69) Senate Bill No. 2076 or similar legislation.

SECTION 15. REPEALER. Section 403.095(e), Government Code, is repealed.

SECTION 16. EFFECT OF ACT. (a) This Act prevails over any other Act of the 85th Legislature, Regular Session, 2017, regardless of the relative dates of enactment, that purports to create or re-create a special fund or account or to dedicate or rededicate revenue to a particular purpose, including any fund, account, or revenue dedication abolished under former Section 403.094, Government Code.

(b) An exemption from the application of Section 403.095, Government Code, contained in another Act of the 85th Legislature, Regular Session, 2017, that is exempted from the application of Section 2 of this Act has no effect.

(c) Revenue that, under the terms of another Act of the 85th Legislature, Regular Session, 2017, would be deposited to the credit of a special account or fund shall be deposited to the credit of the undedicated portion of the general revenue fund unless the fund, account, or dedication is exempted under this Act.

SECTION 17. EFFECTIVE DATE. Except as otherwise provided by this Act:

(1) this Act takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; and

(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect on the 91st day after the last day of the legislative session.

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 23, 2017

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3849 by Zerwas (Relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3849, As Passed 2nd House: an impact of \$0 through the biennium ending August 31, 2019.

The bill would result in an increase of \$668,140,000 in amounts available for certification of the 2018-19 General Appropriations Act, associated with the repeal of an exemption of certain General Revenue-Dedicated account balances from being available for that purpose.

Any other net gains or losses from the re-creation of existing funds or accounts as exempted in this bill are dependent upon the passage of another act of the Eighty-fifth Legislature, Regular Session, 2017, and are dependent upon appropriations made in the 2018-19 General Appropriations Act.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	\$0
2019	\$0
2020	\$0
2021	\$0
2022	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Certification Gain/Loss from <i>Various General Revenue-Dedicated Accounts</i>
2018	\$668,140,000
2019	\$0
2020	\$0
2021	\$0
2022	\$0

Fiscal Analysis

The bill would abolish all funds, accounts, and revenue dedications created or recreated by the 85th Legislature, Regular Session (2017), unless specifically exempted under separate sections of this bill.

Any funds, accounts, or revenue dedications abolished under this bill would be deposited to the credit of the unobligated portion of the General Revenue Fund.

The bill would define the state agencies to which this bill would apply; and it would provide for the abolition of new or re-created funds, accounts, and revenue dedications, unless they were specifically exempted in the bill.

The bill would exempt dedications, funds, and accounts that were enacted before the 85th Legislature convened to comply with the State Constitution or federal law, or that remained exempt from the abolishment and removal of dedication provisions of the former Section 403.094(h) of the Government Code, and increases in existing fees or in other revenue that were previously dedicated or required to be deposited in a fund or account exempted prior to the 85th Legislature, Regular Session (2017).

Federal funds, created by the 85th Legislature, Regular Session (2017), for which separate accounting is required by federal law, would be exempt. Those funds would be deposited into accounts within the General Revenue Fund, unless otherwise required by federal law.

The bill would exempt all trust funds and bond funds created by the 85th Legislature, Regular Session (2017), except that the funds would have to be held in the State Treasury, with the Comptroller in trust, or outside the State Treasury with the Comptroller's approval.

The bill would exempt funds or accounts created or re-created or revenue dedicated or rededicated under a constitutional amendment proposed by an act of the 85th Legislature, Regular Session (2017), if approved by the voters.

The bill would exempt newly authorized uses of a dedicated fund or dedicated account as provided by an Act of the 85th Legislature, Regular Session, 2017, to the extent the fund or account was exempted from funds consolidation before January 1, 2017, and the newly authorized use is within the scope of the original dedication of the fund or account.

The bill would amend Sections 403.095(b), (d) and (f) of the Government Code to allow the Comptroller as directed by the Legislature, to make reductions in dedicated accounts in the amounts by which estimated revenues and unobligated balances exceeded appropriations following certification of all appropriations enacted by the 85th Legislature. Dedicated revenues

exceeding amounts appropriated by the 85th Legislature would be available for certification through August 31, 2019. Funds outside of the State Treasury, trust funds, funds created by the State Constitution or a court, funds for which separate accounting is required by federal law, and other specified funds would be exempt from this section. These provisions would expire September 1, 2019.

The bill would repeal Section 403.095(e) of the Government Code, which exempted certain General Revenue-Dedicated accounts and the separate current account of each institution of higher education in the General Revenue Fund from the provisions of Section 403.095. Exempted accounts or fund include:

- (1) GR-D Account 36 - the Texas Department of Insurance Operating Account;
- (2) GR-D Account 544 - Lifetime License Endowment Account No. 544;
- (3) GR-D Account 5044-Permanent Fund for Health and Tobacco Education and Enforcement;
- (4) GR-D Account 5045-Permanent Fund for Children and Public Health;
- (5) GR-D Account 5046-Permanent Fund for Emergency Medical Services and Trauma Care;
- (6) GR-D Account 5047-Permanent Hospital Fund for Rural Health Facility Capital Improvement;
- (7) GR-D Account 5048-Permanent Hospital Fund for Capital Improvements and the Texas Center for Infectious Disease;
- (8) GR-D Account 5084-Child Abuse and Neglect Prevention Operating;
- (9) GR-D Account 5085-Child Abuse and Neglect Prevention Trust; and
- (10) the separate current account of each institution of higher education in the General Revenue Fund.

As a result, the unexpended balances in these accounts were not available for certification of General Revenue appropriations for the 2016-17 Biennium. The repeal of Section 403.095(e) makes these account balances subject to Section 403.095 and available for certification of General Revenue appropriations for the 2018-19 Biennium.

The bill would re-establish the Cancer Prevention and Research Interest and Sinking Fund (CPRISF) in accordance with Section 102.270, Health and Safety Code, as if the CPRISF had not been abolished by HB 6, 83rd Legislature, Regular Session (2013). All revenue that had been dedicated to that account by Section 102.270, Health and Safety Code, would be rededicated for that purpose.

The following funds, accounts, and dedications of revenue would be exempt from abolition by this bill if created or re-created by Acts of the 85th Legislature, Regular Session (2017):

- (1) CPRISF and dedication of revenue to this fund made by Section 10(a) of this bill;
- (2) National Museum of the Pacific War Museum Fund and dedication of revenue contained in the legislation creating the fund;
- (3) Alamo Complex Account or any dedication of revenue made to such an account;
- (4) Dedication of revenue to the Water Resource Management Account.

In addition, the bill would exempt from abolishment a fund or account created or re-created, or a dedication or re-dedication of revenue collected by a state agency for a particular purpose by the following Acts of the 85th Legislature that become law:

- (1) House Bill No. 7 or similar legislation;
- (2) House Bill No. 51 or similar legislation;
- (3) House Bill No. 108 or similar legislation;
- (4) House Bill No. 245 or similar legislation;
- (5) House Bill No. 263 or similar legislation;

- (6) House Bill No. 271 or similar legislation;
- (7) House Bill No. 555 or similar legislation;
- (8) House Bill No. 561 or similar legislation;
- (9) House Bill No. 572 or similar legislation;
- (10) House Bill No. 935 or similar legislation;
- (11) House Bill No. 1256 or similar legislation;
- (12) House Bill No. 1407 or similar legislation;
- (13) House Bill No. 1512 or similar legislation;
- (14) House Bill No. 1691 or similar legislation;
- (15) House Bill No. 1724 or similar legislation;
- (16) House Bill No. 1729 or similar legislation;
- (17) House Bill No. 1818 or similar legislation;
- (18) House Bill No. 2004 or similar legislation;
- (19) House Bill No. 2068 or similar legislation;
- (20) House Bill No. 2578 or similar legislation;
- (21) House Bill No. 2612 or similar legislation;
- (22) House Bill No. 2700 or similar legislation;
- (23) House Bill No. 2715 or similar legislation;
- (24) House Bill No. 2943 or similar legislation;
- (25) House Bill No. 3391 or similar legislation;
- (26) House Bill No. 3438 or similar legislation;
- (27) House Bill No. 3521 or similar legislation;
- (28) House Bill No. 3567 or similar legislation;
- (29) House Bill No. 3781 or similar legislation;
- (30) House Bill No. 3849 or similar legislation;
- (31) House Bill No. 3952 or similar legislation;
- (32) House Bill No. 3987 or similar legislation;
- (33) House Bill No. 4102 or similar legislation;
- (34) House Bill No. 4117 or similar legislation;
- (35) Senate Bill No. 3 or similar legislation;
- (36) Senate Bill No. 4 or similar legislation;
- (37) Senate Bill No. 6 or similar legislation;
- (38) Senate Bill No. 26 or similar legislation;
- (39) Senate Bill No. 28 or similar legislation;
- (40) Senate Bill No. 42 or similar legislation;
- (41) Senate Bill No. 208 or similar legislation;
- (42) Senate Bill No. 267 or similar legislation;
- (43) Senate Bill No. 298 or similar legislation;
- (44) Senate Bill No. 312 or similar legislation;
- (45) Senate Bill No. 576 or similar legislation;
- (46) Senate Bill No. 602 or similar legislation;
- (47) Senate Bill No. 634 or similar legislation;
- (48) Senate Bill No. 722 or similar legislation;
- (49) Senate Bill No. 1001 or similar legislation;
- (50) Senate Bill No. 1105 or similar legislation;
- (51) Senate Bill No. 1147 or similar legislation;
- (52) Senate Bill No. 1185 or similar legislation;
- (53) Senate Bill No. 1251 or similar legislation;
- (54) Senate Bill No. 1305 or similar legislation;
- (55) Senate Bill No. 1330 or similar legislation;
- (56) Senate Bill No. 1349 or similar legislation;
- (57) Senate Bill No. 1383 or similar legislation;

- (58) Senate Bill No. 1422 or similar legislation;
- (59) Senate Bill No. 1483 or similar legislation;
- (60) Senate Bill No. 1484 or similar legislation;
- (61) Senate Bill No. 1516 or similar legislation;
- (62) Senate Bill No. 1524 or similar legislation;
- (63) Senate Bill No. 1538 or similar legislation;
- (64) Senate Bill No. 1588 or similar legislation;
- (65) Senate Bill No. 1658 or similar legislation;
- (66) Senate Bill No. 1849 or similar legislation;
- (67) Senate Bill No. 1923 or similar legislation;
- (68) Senate Bill No. 2075 or similar legislation; and
- (69) Senate Bill No. 2076 or similar legislation.

Finally, the provisions of this bill would prevail over any other act of the 85th Legislature, Regular Session, 2017, regardless of the date of enactment purporting to dedicate or rededicate a fund, account, or revenue in the State Treasury, or amending Section 403.095 of the Government Code.

This bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority vote in both houses of the Legislature. Otherwise, it would take effect on the 91st day after the last day of the legislative session.

Methodology

This bill has various fiscal effects, some of which may be estimated at this time and others which cannot because they are dependent on the passage of other bills and appropriation decisions by the Eighty-fifth Legislature.

Bill provisions that would repeal Government Code, Section 403.095(e), which provides for the exemption of select General Revenue-Dedicated accounts from provisions in Section 403.095, would increase the amount of funds available for general purpose spending in the 2018-19 biennium by \$668.1 million. This estimated fiscal impact is based on the fiscal year 2017 ending balances for the affected accounts as reported in the Biennial Revenue Estimate for the 2018-19 biennium and does not reflect appropriation decisions by the Eighty-fifth Legislature that affect these account balances.

Finally, the fiscal impact relating to other funds, accounts, and revenue dedications that would be abolished and become part of the General Revenue Fund cannot be determined at this time. Similarly, any net gain or loss from the re-creation of existing funds or accounts as exempted in this bill are dependent upon the passage of another act of the Eighty-fifth Legislature and appropriation decisions and cannot be determined at this time.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, JJ, ZS, PM

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 19, 2017

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3849 by Zerwas (relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3849, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2019.

The bill would result in an increase of \$668,140,000 in amounts available for certification of the 2018-19 General Appropriations Act, associated with the repeal of an exemption of certain General Revenue-Dedicated account balances from being available for that purpose.

Any other net gains or losses from the re-creation of existing funds or accounts as exempted in this bill are dependent upon the passage of another act of the Eighty-fifth Legislature, Regular Session, 2017, and are dependent upon appropriations made in the 2018-19 General Appropriations Act.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	\$0
2019	\$0
2020	\$0
2021	\$0
2022	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Certification Gain/Loss from <i>Various General Revenue-Dedicated Accounts</i>
2018	\$668,140,000
2019	\$0
2020	\$0
2021	\$0
2022	\$0

Fiscal Analysis

The bill would abolish all funds, accounts, and revenue dedications created or recreated by the 85th Legislature, Regular Session (2017), unless specifically exempted under separate sections of this bill.

Any funds, accounts, or revenue dedications abolished under this bill would be deposited to the credit of the unobligated portion of the General Revenue Fund.

The bill would define the state agencies to which this bill would apply; and it would provide for the abolition of new or re-created funds, accounts, and revenue dedications, unless they were specifically exempted in the bill.

The bill would exempt dedications, funds, and accounts that were enacted before the 85th Legislature convened to comply with the State Constitution or federal law, or that remained exempt from the abolishment and removal of dedication provisions of the former Section 403.094(h) of the Government Code, and increases in existing fees or in other revenue that were previously dedicated or required to be deposited in a fund or account exempted prior to the 85th Legislature, Regular Session (2017).

Federal funds, created by the 85th Legislature, Regular Session (2017), for which separate accounting is required by federal law, would be exempt. Those funds would be deposited into accounts within the General Revenue Fund, unless otherwise required by federal law.

The bill would exempt all trust funds and bond funds created by the 85th Legislature, Regular Session (2017), except that the funds would have to be held in the State Treasury, with the Comptroller in trust, or outside the State Treasury with the Comptroller's approval.

The bill would exempt funds or accounts created or re-created or revenue dedicated or rededicated under a constitutional amendment proposed by an act of the 85th Legislature, Regular Session (2017), if approved by the voters.

The bill would exempt newly authorized uses of a dedicated fund or dedicated account as provided by an Act of the 85th Legislature, Regular Session, 2017, to the extent the fund or account was exempted from funds consolidation before January 1, 2017, and the newly authorized use is within the scope of the original dedication of the fund or account.

The bill would amend Sections 403.095(b), (d) and (f) of the Government Code to allow the Comptroller as directed by the Legislature, to make reductions in dedicated accounts in the amounts by which estimated revenues and unobligated balances exceeded appropriations following certification of all appropriations enacted by the 85th Legislature. Dedicated revenues

exceeding amounts appropriated by the 85th Legislature would be available for certification through August 31, 2019. Funds outside of the State Treasury, trust funds, funds created by the State Constitution or a court, funds for which separate accounting is required by federal law, and other specified funds would be exempt from this section. These provisions would expire September 1, 2019.

The bill would repeal Section 403.095(e) of the Government Code, which exempted certain General Revenue-Dedicated accounts and the separate current account of each institution of higher education in the General Revenue Fund from the provisions of Section 403.095. Exempted accounts or fund include:

- (1) GR-D Account 36 - the Texas Department of Insurance Operating Account;
- (2) GR-D Account 544 - Lifetime License Endowment Account No. 544;
- (3) GR-D Account 5044-Permanent Fund for Health and Tobacco Education and Enforcement;
- (4) GR-D Account 5045-Permanent Fund for Children and Public Health;
- (5) GR-D Account 5046-Permanent Fund for Emergency Medical Services and Trauma Care;
- (6) GR-D Account 5047-Permanent Hospital Fund for Rural Health Facility Capital Improvement;
- (7) GR-D Account 5048-Permanent Hospital Fund for Capital Improvements and the Texas Center for Infectious Disease;
- (8) GR-D Account 5084-Child Abuse and Neglect Prevention Operating;
- (9) GR-D Account 5085-Child Abuse and Neglect Prevention Trust; and
- (10) the separate current account of each institution of higher education in the General Revenue Fund.

As a result, the unexpended balances in these accounts were not available for certification of General Revenue appropriations for the 2016-17 Biennium. The repeal of Section 403.095(e) makes these account balances subject to Section 403.095 and available for certification of General Revenue appropriations for the 2018-19 Biennium.

The bill would re-establish the Cancer Prevention and Research Interest and Sinking Fund (CPRISF) in accordance with Section 102.270, Health and Safety Code, as if the CPRISF had not been abolished by HB 6, 83rd Legislature, Regular Session (2013). All revenue that had been dedicated to that account by Section 102.270, Health and Safety Code, would be rededicated for that purpose.

The following funds, accounts, and dedications of revenue would be exempt from abolition by this bill if created or re-created by Acts of the 85th Legislature, Regular Session (2017):

- (1) CPRISF and dedication of revenue to this fund made by Section 10(a) of this bill;
- (2) National Museum of the Pacific War Museum Fund and dedication of revenue contained in the legislation creating the fund;
- (3) Alamo Complex Account or any dedication of revenue made to such an account;
- (4) Dedication of revenue to the Water Resource Management Account.

In addition, the bill would exempt from abolishment a fund or account created or re-created, or a dedication or re-dedication of revenue collected by a state agency for a particular purpose by the following Acts of the 85th Legislature that become law:

- (1) House Bill No. 7 or similar legislation;
- (2) House Bill No. 51 or similar legislation;
- (3) House Bill No. 108 or similar legislation;
- (4) House Bill No. 245 or similar legislation;
- (5) House Bill No. 263 or similar legislation;

- (6) House Bill No. 271 or similar legislation;
- (7) House Bill No. 555 or similar legislation;
- (8) House Bill No. 561 or similar legislation;
- (9) House Bill No. 572 or similar legislation;
- (10) House Bill No. 935 or similar legislation;
- (11) House Bill No. 1256 or similar legislation;
- (12) House Bill No. 1407 or similar legislation;
- (13) House Bill No. 1512 or similar legislation;
- (14) House Bill No. 1691 or similar legislation;
- (15) House Bill No. 1724 or similar legislation;
- (16) House Bill No. 1729 or similar legislation;
- (17) House Bill No. 1818 or similar legislation;
- (18) House Bill No. 2004 or similar legislation;
- (19) House Bill No. 2068 or similar legislation;
- (20) House Bill No. 2578 or similar legislation;
- (21) House Bill No. 2612 or similar legislation;
- (22) House Bill No. 2700 or similar legislation;
- (23) House Bill No. 2715 or similar legislation;
- (24) House Bill No. 2943 or similar legislation;
- (25) House Bill No. 3391 or similar legislation;
- (26) House Bill No. 3438 or similar legislation;
- (27) House Bill No. 3521 or similar legislation;
- (28) House Bill No. 3567 or similar legislation;
- (29) House Bill No. 3781 or similar legislation;
- (30) House Bill No. 3849 or similar legislation;
- (31) House Bill No. 3952 or similar legislation;
- (32) House Bill No. 3987 or similar legislation;
- (33) House Bill No. 4102 or similar legislation;
- (34) House Bill No. 4117 or similar legislation;
- (35) Senate Bill No. 3 or similar legislation;
- (36) Senate Bill No. 4 or similar legislation;
- (37) Senate Bill No. 6 or similar legislation;
- (38) Senate Bill No. 26 or similar legislation;
- (39) Senate Bill No. 28 or similar legislation;
- (40) Senate Bill No. 42 or similar legislation;
- (41) Senate Bill No. 208 or similar legislation;
- (42) Senate Bill No. 267 or similar legislation;
- (43) Senate Bill No. 298 or similar legislation;
- (44) Senate Bill No. 312 or similar legislation;
- (45) Senate Bill No. 576 or similar legislation;
- (46) Senate Bill No. 602 or similar legislation;
- (47) Senate Bill No. 634 or similar legislation;
- (48) Senate Bill No. 722 or similar legislation;
- (49) Senate Bill No. 1001 or similar legislation;
- (50) Senate Bill No. 1105 or similar legislation;
- (51) Senate Bill No. 1147 or similar legislation;
- (52) Senate Bill No. 1185 or similar legislation;
- (53) Senate Bill No. 1251 or similar legislation;
- (54) Senate Bill No. 1305 or similar legislation;
- (55) Senate Bill No. 1330 or similar legislation;
- (56) Senate Bill No. 1349 or similar legislation;
- (57) Senate Bill No. 1383 or similar legislation;

- (58) Senate Bill No. 1422 or similar legislation;
- (59) Senate Bill No. 1483 or similar legislation;
- (60) Senate Bill No. 1484 or similar legislation;
- (61) Senate Bill No. 1516 or similar legislation;
- (62) Senate Bill No. 1524 or similar legislation;
- (63) Senate Bill No. 1538 or similar legislation;
- (64) Senate Bill No. 1588 or similar legislation;
- (65) Senate Bill No. 1658 or similar legislation;
- (66) Senate Bill No. 1849 or similar legislation;
- (67) Senate Bill No. 1923 or similar legislation;
- (68) Senate Bill No. 2075 or similar legislation; and
- (69) Senate Bill No. 2076 or similar legislation.

Finally, the provisions of this bill would prevail over any other act of the 85th Legislature, Regular Session, 2017, regardless of the date of enactment purporting to dedicate or rededicate a fund, account, or revenue in the State Treasury, or amending Section 403.095 of the Government Code.

This bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority vote in both houses of the Legislature. Otherwise, it would take effect on the 91st day after the last day of the legislative session.

Methodology

This bill has various fiscal effects, some of which may be estimated at this time and others which cannot because they are dependent on the passage of other bills and appropriation decisions by the Eighty-fifth Legislature.

Bill provisions that would repeal Government Code, Section 403.095(b), which provides for the exemption of select General Revenue-Dedicated accounts from provisions in Section 403.095, would increase the amount of funds available for general purpose spending in the 2018-19 biennium by \$668.1 million. This estimated fiscal impact is based on the fiscal year 2017 ending balances for the affected accounts as reported in the Biennial Revenue Estimate for the 2018-19 biennium and does not reflect appropriation decisions by the Eighty-fifth Legislature that affect these account balances.

Finally, the fiscal impact relating to other funds, accounts, and revenue dedications that would be abolished and become part of the General Revenue Fund cannot be determined at this time. Similarly, any net gain or loss from the re-creation of existing funds or accounts as exempted in this bill are dependent upon the passage of another act of the Eighty-fifth Legislature and appropriation decisions and cannot be determined at this time.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, JJ, ZS, PM

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 16, 2017

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3849 by Zerwas (Relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.), **As Engrossed**

Any net gain or loss from the re-creation of existing funds or accounts as exempted in this bill are dependent upon the passage of another act of the 85th Legislature, Regular Session (2017) and are dependent upon appropriations made in the 2018-19 General Appropriations Act.

The bill would abolish all funds, accounts, and revenue dedications created or recreated by the 85th Legislature, Regular Session (2017), unless specifically exempted under separate sections of this bill.

Any funds, accounts, or revenue dedications abolished under this bill would be deposited to the credit of the unobligated portion of the General Revenue Fund.

The bill would define the state agencies to which this bill would apply; and it would provide for the abolition of new or re-created funds, accounts, and revenue dedications, unless they were specifically exempted in the bill.

The bill would exempt dedications, funds, and accounts that were enacted before the 85th Legislature convened to comply with the State Constitution or federal law, or that remained exempt from the abolishment and removal of dedication provisions of the former Section 403.094(h) of the Government Code, and increases in existing fees or in other revenue that were previously dedicated or required to be deposited in a fund or account exempted prior to the 85th Legislature, Regular Session (2017).

Federal funds, created by the 85th Legislature, Regular Session (2017), for which separate accounting is required by federal law, would be exempt. Those funds would be deposited into accounts within the General Revenue Fund, unless otherwise required by federal law.

The bill would exempt all trust funds and bond funds created by the 85th Legislature, Regular Session (2017), except that the funds would have to be held in the State Treasury, with the Comptroller in trust, or outside the State Treasury with the Comptroller's approval.

The bill would exempt funds or accounts created or re-created or revenue dedicated or rededicated under a constitutional amendment proposed by an act of the 85th Legislature, Regular Session (2017), if approved by the voters.

The bill would amend Sections 403.095(b), (d) and (f) of the Government Code to allow the Comptroller as directed by the Legislature, to make reductions in dedicated accounts in the amounts by which estimated revenues and unobligated balances exceeded appropriations following certification of all appropriations enacted by the 85th Legislature. Dedicated revenues exceeding amounts appropriated by the 85th Legislature would be available for certification through August 31, 2019. Funds outside of the State Treasury, trust funds, funds created by the State Constitution or a court, funds for which separate accounting was required by federal law, and other specified funds would be exempt from this section. These provisions would expire September 1, 2019.

The bill would re-establish the Cancer Prevention and Research Interest and Sinking Fund (CPRISF) in accordance with Section 102.270, Health and Safety Code, as if the CPRISF had not been abolished by operation of Section 2, Chapter 839 (HB 6), Acts of the 83rd Legislature, Regular Session (2013). All revenue that had been dedicated to that account by Section 102.270, Health and Safety Code, would be rededicated for that purpose.

The following funds, accounts, and dedications of revenue would be exempt from abolition by this bill if created or re-created by Acts of the 85th Legislature, Regular Session (2017):

- CPRISF and dedication of revenue to this fund made by Section 10(a) of this bill;
- National Museum of the Pacific War Museum Fund and dedication of revenue contained in the legislation creating the fund;
- Alamo Complex Account or any dedication of revenue made to such an account;
- Dedication of revenue to the Water Resource Management Account.

The provisions of this bill would prevail over any other act of the 85th Legislature, Regular Session (2017), regardless of the date of enactment purporting to dedicate or rededicate a fund, account, or revenue in the State Treasury, or amending Section 403.095 of the Government Code.

This bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority vote in both houses of the Legislature. Otherwise, it would take effect on the 91st day after the last day of the legislative session.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, JJ, ZS, PM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 17, 2017

TO: Honorable John Zerwas, Chair, House Committee on Appropriations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3849 by Zerwas (Relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.), **As Introduced**

Any net gain or loss from the re-creation of existing funds or accounts as exempted in this bill are dependent upon the passage of another act of the 85th Legislature, Regular Session (2017) and are dependent upon appropriations made in the 2018-19 General Appropriations Act.

The bill would abolish all funds, accounts, and revenue dedications created or recreated by the 85th Legislature, Regular Session (2017), unless specifically exempted under separate sections of this bill.

Any funds, accounts, or revenue dedications abolished under this bill would be deposited to the credit of the unobligated portion of the General Revenue Fund.

The bill would define the state agencies to which this bill would apply; and it would provide for the abolition of new or re-created funds, accounts, and revenue dedications, unless they were specifically exempted in the bill.

The bill would exempt dedications, funds, and accounts that were enacted before the 85th Legislature convened to comply with the State Constitution or federal law, or that remained exempt from the abolishment and removal of dedication provisions of the former Section 403.094(h) of the Government Code, and increases in existing fees or in other revenue that were previously dedicated or required to be deposited in a fund or account exempted prior to the 85th Legislature, Regular Session (2017).

Federal funds, created by the 85th Legislature, Regular Session (2017), for which separate accounting is required by federal law, would be exempt. Those funds would be deposited into accounts within the General Revenue Fund, unless otherwise required by federal law.

The bill would exempt all trust funds and bond funds created by the 85th Legislature, Regular Session (2017), except that the funds would have to be held in the State Treasury, with the Comptroller in trust, or outside the State Treasury with the Comptroller's approval.

The bill would exempt funds or accounts created or re-created or revenue dedicated or rededicated under a constitutional amendment proposed by an act of the 85th Legislature, Regular Session (2017), if approved by the voters.

The bill would amend Sections 403.095(b), (d) and (f) of the Government Code to allow the Comptroller as directed by the Legislature, to make reductions in dedicated accounts in the amounts by which estimated revenues and unobligated balances exceeded appropriations following certification of all appropriations enacted by the 85th Legislature. Dedicated revenues exceeding amounts appropriated by the 85th Legislature would be available for certification through August 31, 2019. Funds outside of the State Treasury, trust funds, funds created by the State Constitution or a court, funds for which separate accounting was required by federal law, and other specified funds would be exempt from this section. These provisions would expire September 1, 2019.

The provisions of this bill would prevail over any other act of the 85th Legislature, Regular Session (2017), regardless of the date of enactment purporting to dedicate or rededicate a fund, account, or revenue in the State Treasury, or amending Section 403.095 of the Government Code.

This bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority vote in both houses of the Legislature. Otherwise, it would take effect on the 91st day after the last day of the legislative session.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, JJ, ZS, PM